

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TYLER DIVISION**

SOVERAIN SOFTWARE LLC,

Plaintiff,

v.

CDW CORPORATION,

NEWEGG INC.,

REDCATS USA, INC.

SYSTEMAX INC.,

ZAPPOS.COM, INC.,

REDCATS USA, L.P.,

THE SPORTSMAN'S GUIDE, INC., AND

TIGERDIRECT, INC.,

Defendants.

Case No. 6:07-CV-00511-LED

JURY TRIAL DEMANDED

SOVERAIN'S REPLY TO COUNTERCLAIMS OF CDW, NEWEGG AND ZAPPOS

Plaintiff Soverain Software LLC ("Soverain") replies to the corresponding numbered paragraphs of the counterclaims of Defendants CDW Corporation, Newegg Inc., and Zappos.com, Inc. (collectively, "Counterclaim Plaintiffs") as follows:

COUNTERCLAIMS

1. Soverain admits that Counterclaim Plaintiffs purport to assert counterclaims under the Federal Declaratory Judgment Act and the patent laws of the United States, but denies that Counterclaim Plaintiffs have stated a cause of action or any grounds for such relief.

2. Upon information and belief, Soverain admits the allegations of Paragraph 2.

3. Upon information and belief, Soverain admits the allegations of Paragraph 3.

4. Upon information and belief, Soverain states that there are two related entities both of whom are named Zappos.com, Inc.; that both of the entities named Zappos.com, Inc. maintain their principal place of business at 2280 Corporate Circle Dr., Suite 100, Henderson,

NV 89074; that one of these entities is incorporated in California and does business principally through the ecommerce website www.zappos.com; that the California entity has not responded to the Amended Complaint, although it was properly served and adequately identified in the Amended Complaint; and that the Delaware entity, which has not been served with the Amended Complaint, has served an Answer and Counterclaims. Upon information and belief, Soverain admits that the Delaware entity is incorporated in Delaware.

5. Soverain admits the allegations of Paragraph 5.

6. Soverain admits that this Court has subject matter jurisdiction over this action but denies the remaining allegations of Paragraph 6.

7. Soverain admits the allegations of Paragraph 7.

8. Soverain admits the allegations of Paragraph 8.

9. Soverain denies the allegations of Paragraph 9.

10. Soverain denies the allegations of Paragraph 10.

COUNT ONE

Declaratory Judgment of Non-Infringement

11. Soverain repeats its responses to Paragraphs 1-10 above.

12. Soverain denies the allegations of Paragraph 12.

13. Soverain denies the allegations of Paragraph 13.

14. Soverain denies the allegations of Paragraph 14.

COUNT TWO

Declaratory Judgment of Invalidity

15. Soverain repeats its responses to Paragraphs 1-14 above.

16. Soverain denies the allegations of Paragraph 16.

17. Soverain denies the allegations of Paragraph 17.

18. Soverain denies the allegations of Paragraph 18.

COUNT THREE

Declaratory Judgment of Unenforceability

19. Soverain repeats its responses to Paragraphs 1-18 above.

20. Soverain denies the allegations of Paragraph 20.

21. Soverain denies the allegations of Paragraph 21.

22. Soverain admits that Andrew Payne is named as an inventor in the Patents-in-Suit (as defined in the Amended Complaint) and was aware of a company called NetMarket as early as June 15, 1994; denies the remaining allegations of Paragraph 22.

23. Soverain denies the allegations of Paragraph 23.

24. Soverain denies the allegations of Paragraph 24.

25. Soverain denies the allegations of Paragraph 25.

26. Soverain denies any allegations in Counterclaim Plaintiffs' counterclaims that are not specifically admitted herein.

PRAYER FOR RELIEF

Soverain denies that Counterclaim Plaintiffs are entitled to the relief requested in their Prayer for Relief, Paragraphs A-F inclusive.

WHEREFORE, Soverain prays for an Order:

A. Granting judgment in Soverain's favor on all claims in Counterclaim Plaintiffs' counterclaims;

B. Dismissing Counterclaim Plaintiffs' counterclaims with prejudice;

C. Awarding Soverain its attorneys' fees, expenses and costs in defending against Counterclaim Plaintiffs' counterclaims;

D. Awarding Soverain the relief sought in its Amended Complaint; and

E Awarding Sovereign such other relief as the Court deems just and proper.

Dated: January 17, 2008

Respectfully submitted,

/s/ Kenneth R. Adamo

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ATTORNEYS FOR PLAINTIFF

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically on January 17, 2008 pursuant to Local Rule CV-5(a) and has been served on all counsel who have consented to electronic service.

/s/ Thomas L. Giannetti
Thomas L. Giannetti